



STATE OF CALIFORNIA
 State Energy Resources
 Conservation and Development Commission

In the Matter of:)	Docket No. 99-AFC-1C
)	Order No. 03-0319-1(a)
Elk Hills Power Project)	
Petition to Allow for Tendering of PM ₁₀)	COMMISSION ORDER APPROVING
ERCs and for a Temporary Increase in)	PROJECT MODIFICATION
Commissioning Emissions		

On December 11, 2002, the California Energy Commission (Energy Commission) received a petition from Elk Hills Power, LLC to modify air quality Conditions of Certification to allow for tendering of PM₁₀ emission reduction credits based on the outcome of initial source tests, and to allow for a temporary increase in commissioning emissions. At a regularly scheduled Business Meeting on March 19, 2003, the Energy Commission considered staff's analysis and approved revised and new air quality Conditions of Certification in accordance with Title 20, section 1769(a)(3) of the California Code of Regulations, allowing for the tendering of emission reduction credits and for a temporary increase in emissions during commissioning.

COMMISSION FINDINGS

Based on staff's analysis, the Energy Commission finds that:

- A. There will be no new or additional unmitigated significant environmental impacts associated with the proposed change.
- B. The facility will remain in compliance with all applicable laws, ordinances, regulations, and standards, subject to the provisions of Public Resources code section 25525.
- C. The change will be beneficial to the project owner by allowing for flexibility to reduce the amount of emission reductions credits surrendered to the San Joaquin Valley Air Pollution Control District, and by allowing for operational efficiency during the commissioning phase.
- D. There has been a substantial change since the Energy Commission certification based on the project owner's re-evaluation of operational issues that were not available during the siting process.

ORDER

The California Energy Commission hereby approves the tendering of PM₁₀ emission reduction credits based on the outcome of initial source tests, and approves a temporary increase in commissioning emissions.

NEW AND REVISIONS TO EXISTING CONDITIONS OF CERTIFICATION

(Deleted text is shown in ~~striketrough~~, and new text is underlined).

AQ-21 Prior to commencement of operation ~~or upon startup~~ of S-3523-1-0, -2-0, & 3-0, emission offsets shall be tendered ~~surrendered~~ for all calendar quarters in the following amounts, at the offset ratio specified in Rule 2201 (6/15/95 version) Table 1, PM₁₀ - Q1: 78,596 lb, Q2: 79,470 lb, Q3: 80,343 lb, and Q4: 80,343 lb; and surrendered for all calendar quarters in the following amounts, at the offset ratio specified in Rule 2201 (6/15/95 version) Table 1, SO_x (as SO₂) - Q1: 14,170 lb, Q2: 14,328 lb, Q3: 14,485 lb, and Q4: 14,485 lb; NO_x (as NO₂) - Q1: 65,353 lb, Q2: 66,079 lb, Q3: 66,805 lb, and Q4: 66,805 lb; and VOC - Q1: 10,967 lb, Q2: 11,089 lb, Q3: 11,211 lb, and Q4: 11,211 lb. [District Rule 2201]

Verification: The owner/operator shall submit copies of ERCs tendered or surrendered to the SJVUAPCD in the totals shown to the CPM prior to commencement of operation ~~or upon startup~~ of the CTGs or cooling tower.

AQ-63 The project owner may lower hourly, daily, and rolling average twelve-month PM₁₀ emission limits in Conditions AQ-15, AQ-16, AQ-17, and AQ-18, and thereby reduce PM₁₀ offset requirements set forth in AQ-21, based on actual PM₁₀ emissions demonstrated during initial source tests. Revised emission limits shall be submitted to the District within 60 days after the last unit is initially source tested. The District will reflect revised limits in the permit to operate for the subject equipment. Any emission reduction credit certificates, or portions thereof, that were tendered to the District but are not needed to meet reduced PM₁₀ offset requirements will be returned to the project owner at full value. The project owner shall indicate which emission reduction credit certificates are to be retired.

Verification: The project owner shall notify the CPM and District of any proposed changes in PM₁₀ emission limits and indicate which ERC certificates are to be retired within 60 days after the last unit is initially source tested.

AQ-64 Relief granted by the San Joaquin Valley Air Pollution Control District Hearing Board on November 13, 2002 in Regular Variance Docket No. S-02-38R shall apply to Conditions of Certification AQ-5, AQ-13 through AQ-17, AQ-26, and AQ-27. The Project Owner shall comply with all requirements incorporated into the 19 conditions of this regular variance.

Mach 19, 2003

Page 3

Verification: The project owner shall submit copies of all notifications and reports required under this regular variance to the CPM. The project owner shall notify the CPM within 5 days of any requested changes to this variance.

AQ-65 During commissioning, emissions shall be limited to 400 lbs/hour of NO_x and 4,000 lbs/hour of CO.

Verification: The project owner shall provide, within 24 hours of occurrence, notification to the CPM of any noncompliance with the commissioning startup/shutdown emission limits.

IT IS SO ORDERED.

STATE OF CALIFORNIA
ENERGY RESOURCES
CONSERVATION AND
DEVELOPMENT COMMISSION

DATE March 19, 2003

WILLIAM J. KEESE, Chairman